

# ***City Council***

## ***Special Meeting Minutes***

**September 27, 2016  
City Hall, Council Chambers  
749 Main Street  
7:00 PM**

**Call to Order** –Mayor Pro Tem Lipton called the meeting to order at 7:00 p.m.

**Roll Call** was taken and the following members were present:

**City Council:**        ***Mayor Pro Tem Jeff Lipton, City Councilmembers: Jay Keany (7:05 pm), Chris Leh (7:05 pm), Susan Loo, Dennis Maloney and Ashley Stolzmann***

**Absent:**                ***Mayor Bob Muckle***

**Staff Present:**        ***Malcolm Fleming, City Manager  
Kevin Watson, Director of Finance  
Joe Stevens, Director of Parks & Recreation  
Dave Hayes, Police Chief  
Kathleen Hix, Director of Human Resources  
Kurt Kowar, Director of Public Works  
Rob Zuccaro, Director of Planning & Building Safety  
Meredyth Muth, City Clerk***

**Others Present:**

### **PLEDGE OF ALLEGIANCE**

All rose for the pledge of allegiance.

### **APPROVAL OF AGENDA**

Mayor Pro Tem Lipton called for changes to the agenda and hearing none, moved to approve the agenda, seconded by Councilmember Maloney. All were in favor.

### **DISCUSSION/DIRECTION – CITY MANAGER’S PROPOSED 2017 – 2018 BUDGET AND 2017 – 2021 CAPITAL IMPROVEMENTS PLAN**

Mayor Pro Tem Lipton asked for a review of the budget process and schedule. City Manager Fleming noted that over the summer the Council reviewed the capital budget

and gave staff direction. That information is included in the proposed budget. These Fall meetings now focus on the operational budget. The Fall meetings will be divided among the ten major program areas. Based on Council's input, staff will bring back a final proposed budget for a public hearing on October 18. The adoption of the budget is expected on November 1.

Mayor Pro Tem Lipton asked what kind of direction staff is looking for this evening. City Manager Fleming stated he is looking for any additional information Council would like to see in the final proposal, what are Council's top priorities, what is missing, and what should be excluded or not funded.

City Manager Fleming noted the proposed budget is a work in progress. In preparing for this meeting, Finance staff found some software errors that when fixed showed there was less annual revenue than expected. In general, we prefer not to add new staff positions unless they can be supported by a steady revenue source. Given the new information from the software, it is likely some of the proposed staff positions cannot be supported. Therefore staff needs to know what Council's priorities are so if changes are needed to balance the budget we know what items or positions Council would prioritize.

Councilmember Leh and Councilmember Keany arrived at 7:05 PM.

Regarding proposed increases City Manager Fleming noted the proposed budget includes a priority list for each program and there is a sheet showing how each priority is funded, the proposed expenditures, and full time equivalent employee (FTEs) numbers.

City Manager Fleming stated the information in the packet includes revenue assumptions and expenditure targets. This information drives the budget so staff needs to know if Council thinks these look reasonable and are not overly optimistic or under estimating.

## **TRANSPORTATION PROGRAM**

City Manager Fleming noted the top priorities for transportation include \$100,000 of general fund money to cover an on-call contractor for asphalt patching on top of what is funded from the Capital Fund for paving. Another priority is funding for an application support specialist to help with the new IAN enterprise software system. Currently we have termed staff working on this, but it requires a great deal of expertise to manage the system and staff thinks a full-time person is necessary to make the system work well.

Mayor Pro Tem Lipton asked if the application specialist position is just for the new enterprise software or if that person would work on additional software applications in the future. City Manager Fleming stated this is the proposal for our current software needs and the hope is it will cover most if not all of what is needed but we won't know until we start implementing new systems.

City Manager Fleming stated another priority in the Transportation Program is a purchasing manager position. City Manager Fleming noted this position is strongly supported by the management team members who want someone with technical expertise to help each department. Evaluating proposals is critical to departments and they would like someone dedicated to this rather than taking existing staff away from regular duties to work on proposals and bidding. Based on the level of contracting and on-going activities we currently have, staff strongly supports the addition of this position.

Mayor Pro Tem Lipton stated he thought this position is over budgeted and could be filled at a lower salary.

Councilmember Loo asked in which departments these positions would be housed and to whom each position would report. City Manager Fleming stated the purchasing manager would likely be in the Finance Department (but housed in City Services) but details would be determined if Council funds the positions.

Councilmember Keany agreed with Mayor Pro Tem Lipton on the possible lower salary for the purchasing manager and asked why we don't have a grant specialist on staff to help offset costs.

City Manager Fleming stated his experience has been grant positions tend to spend more time learning about individual grants and what each department needs rather than actually get funding. He stated it is generally more effective to have staff in each department going after grants. He added the management team will look at it again to see if it makes sense.

Councilmember Maloney agreed with Councilmember Loo that to whom these positions report is important. He added the description for the application support position seems too broad. He recommended the scope be more focused to the business applications and not a long list of other items.

Councilmember Leh suggested the City should contract for a grant writer who can focus on specific great opportunities as needed. He also agreed with Councilmember Maloney that the job description for the application support specialist may be overly broad.

City Manager Fleming stated other transportation priorities include increased funding for legal expenses to more accurately reflect actual costs and contracting for GIS services. He added staff has frequently budgeted a lower amount for legal services in the hopes of not spending as much, but that is simply not accurate. This increased amount should be a more accurate representation of what we need for legal services.

Councilmember Stolzmann stated her concern with the overall increase in the cost of salaries and wages. She is concerned not with specifics of a job description but rather in making sure there is sufficient revenue to cover expenditures.

## **PUBLIC SAFETY AND JUSTICE PROGRAM**

City Manager Fleming stated Public Safety is a significant part of the City's budget and is almost entirely supported by the general fund. We do not rely on fines to support the program. There is no expectation that enforcement drives service levels.

Councilmember Leh appreciated this approach and noted it is good governance and better for the community to know fines don't support the police department's service levels. Councilmember Keany agreed fines should not be a revenue stream for the community.

Councilmember Maloney asked what the funding for the new police records management system will include. Chief Hayes stated it is to upgrade to new software. No additional staff is anticipated to be needed to run the system, existing IT staff should be able to accommodate it. The \$300,000 initial outlay is for software. Ongoing costs are anticipated at \$35,000 per year.

City Manager Fleming stated priorities in this program include a new crime prevention technician. Chief Hayes noted there is no full time preventative program position currently; this position would create new programs (crime watch, business watch, etc.), coordinate meetings and programs, do some crime analysis, and some other items. This position could be a sworn officer or a civilian position.

Mayor Pro Tem Lipton noted there are additional police officer positions included in both 2017 and 2018 in the priority list. City Manager Fleming stated staff is working on staffing comparisons for the Louisville department with other communities for Council to better understand the needs of the department.

Councilmember Loo asked if more officers were needed when the existing staff is already getting such positive reports in the citizen survey. City Manager Fleming noted the Police Department is stretched thin even when they are fully staffed. The department needs to cover vacations, injuries, etc. without over taxing staff, and they need to be able to address the growing complexities of policing. Chief Hayes noted call time continues to increase meaning officers have less time to connect with the community in better ways.

Mayor Pro Tem Lipton stated new officers weren't his highest priority, the existing staff is doing a good job and putting in another almost half million dollars to the Police Department may not greatly improve anything. Mayor Pro Tem Lipton said he was not persuaded this is the best use of funding right now.

*Summary of Major Expenditures*

City Manager Fleming stated he too is concerned about supporting new positions long-term. Staff continues to look at this and won't propose any positions that can't be sustained in the long run.

Councilmember Maloney asked what the anticipated one-time revenue is. Director Watson stated the total revenue of \$19.3 million in the 2017-18 budgets includes about \$1.4 in construction permits which is non-recurring revenue. As presented, the general fund operational deficit is about \$750,000 for each 2017 and 2018 meaning we need to cut \$750,000 each year to balance the proposed budget.

Councilmember Maloney would like to spend non-reoccurring revenue on one-time expenditures. Councilmember Keany stated we shouldn't be depending on one-time revenue sources for ongoing expenses. He suggested one-time money be used for reducing debt or building capital projects.

City Manager Fleming agreed staff positions should not be paid for from one-time revenue. He stated the final proposed budget will not include any new positions we cannot afford.

Councilmember Stolzmann stated she generally agrees with the priority list and added she feels the police officer positions are needed to run a three-shift operation.

Councilmember Loo wants to make sure maintaining roads continues to be a priority. She stated if we need more officers to run the Police Department properly, we need them. She would put quality of life services lower on the priority list and prioritize basic services.

Mayor Pro Tem Lipton stated the City budget shouldn't grow at a faster rate than what our residents are earning. He agreed it makes sense to look at the budget based on a percentage increase from year-to-year.

Councilmember Stolzmann stated she would like to see how our merit increases compare to other cities. City Manager Fleming stated the goal is an average of 4% for merit increases and additional funding is for market increases and staff will work to provide some comparisons.

Mayor Pro Tem Lipton asked about the livable wage conversation the Council has been having and where we are in raising the pay rate for the lowest paid staff. City Manager Fleming stated all full-time staff positions have been raised to a minimum of \$15/hour. Mayor Pro Tem Lipton would like to see some additional adjustments in 2017 and 2018.

Councilmember Leh agreed the living wage conversation is important but we need more information on what it really means and how it is working in other communities.

Councilmember Leh stated the priority list includes a number of new positions and he is not convinced all are justified. He shares the concern about long-term costs. He stated he appreciates the level of work we get from staff. He noted there is little excess capacity in staff, we do run lean and he thanked staff for the work we get for the amount we spend.

Regarding the living wage question, Councilmember Keany stated a great many of the City's entry level positions (seasonal staff, camp counselors, lifeguards) go to people who may still live with their parents. These are entry level positions and these staff members aren't likely to be trying to support a family or live independently. He stated the Council will need to consider this issue very carefully.

Mayor Pro Tem Lipton noted the budget discussion will continue October 4. He thanked staff for the work on the budget.

**COUNCIL COMMENTS, COMMITTEE REPORTS, AND IDENTIFICATION OF  
FUTURE AGENDA ITEMS**

None.

**ADJOURN**

MOTION: Mayor Pro Tem Lipton moved for adjournment, seconded by Councilmember Leh. All were in favor. The meeting was adjourned at 8:53 p.m.

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Robert P. Muckle, Mayor

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Meredyth Muth, City Clerk